Gas Utilisation Policy

2424. DR. M.A.M. RAMASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Gas based power plants of the Central Government are not getting sufficient and timely supply of gas for power generation;

(b) if so, the reasons therefor;

(c) whether the Central Government is also finalizing the Gas Utilization Policy;

(d) if so, the details thereof; and

(e) by when the policy will be finalized?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The demand of natural gas in the country is higher than the present availability. However, priority is given to supply of natural gas to gas based power plants of Central Government.

(c) to (e) The Gas Utilization Policy is under formulation.

Revision of CBM policy

2425. SHRIMATI SHOBHANA BHARTIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has framed an extension policy for considering proposals seeking extension in exploration phases under Coal Bed Methane (CBM) contracts;

(b) if so, the details thereof;

(c) whether Coal Bed Methane Exploration Policy would be further revised to boost its exploration; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) Yes, Sir. In order to adopt a transparent and consistent framework for granting extensions in exploration phases, the Government in line with the existing policy of extensions under NELP and pre-NELP contracts, has framed an extension policy for considering proposals seeking extension in exploration phases under CBM contracts. The extension in phases under CBM contracts in terms of this policy framework would be considered within the validity of the over all exploration period. The broad objective of the extension policy is as under:—

(i) To maintain the integrity of the bidding process and the spirit of the contracts to explore and produce CBM gas early.

(ii) To grant reasonable extension of time so as to enable contractors to complete Minimum Work Programme (MWP) or additional exploration work programme.

(iii) Not to delay the execution of development plans or production or the life cycle of the entire project and payment of Royalty, taxes and contractual payments.

(iv) To act as deterrent for seeking unnecessary extensions or holding on to acreages without doing any or little exploration activities.

(v) The Policy envisages a system of penalty by way of submission of bank guarantees and pre-estimated agreed liquidated damages (in some cases/situations) in lieu of un-finished minimum or additional work programme. While proposing the amount of bank guarantee and pre-estimated agreed liquidated damages, situations/factors such as whether extension is for completing MWP or additional Work Programme, whether commerciality has been established in the contract area and whether contractor wants to retain the area for further exploration have been kept in mind.

(vi) Up to 6 months extension may be given by the Steering Committee or the Government on merit in terms of the provisions of the respective contracts.

(vii) Demonstrable delays on account of getting Government approvals/permits/clearances which are not attributable to the contractors will be counted as excusable delays and such delays shall be condoned. In this regard, if some extensions have already been granted by Steering Committee/Government on account of excuable delays, which took place from effective date of the contract i.e. including delays prior to the extension policy coming in force, the same will be regulated as per this CBM extension policy.

(viii) In case the contractor does not fulfil the work programme within the stipulated period or extended period, as the case may be, he shall be required to pay money for the unfinished work programme, if any, to the Government in terms of respective provisions of the contract.

Government of India has signed contracts for 26 CBM blocks (including award of 3 contracts on nomination basis) under three CBM bidding rounds held so far covering an area of 13000 Sq. Km. The estimated investment during exploration in Eleventh Plan period will be about Rs. 1000 crore and production of CBM is expected to be 2.6 BCM during Eleventh Five Year Plan Period.

Exploration activity of ONGC

2426. SHRI MATILAL SARKAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of drilling projects that the Oil and Natural Gas Corporation (ONGC) have undertaken in different States/Union Territories during the years 2006-07 and 2007-08, State and UT-wise;

(b) in how many cases, the results have been positive;

(c) the quantity of Gas and Oil that is being explored at present on yearly basis, States/ Union Territories-wise; and

(d) the target of exploration during the year 2008-09?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Exploratory drilling undertaken by Oil and Natural Gas Corporation (ONGC) during the years 2006-07 and 2007-08 is as per the Statement (*see* below).

(b) Out of total 87 wells (drilled during 2006-07) and 98 wells (drilled during 2007-08), 31 and 43 wells respectively were proved to be hydrocarbon bearing.

(c) State/Union Territory-wise production of oil and gas by ONGC for the year 2006-07 is as per annex.